

HARPER COUNTY CONSERVATION DISTRICT

ANNUAL FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

HARPER COUNTY CONSERVATION DISTRICT
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YEAR ENDED JUNE 30, 2013

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Kimberlye R. Mayer, CPA, P.C.

735 West Doolin

Blackwell, OK 74631

(580) 363-1453
Fax (580) 363-0068

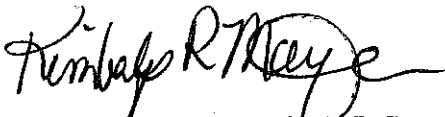
Accountant's Compilation Report

Board of Directors
Harper County Conservation District

We have compiled the accompanying financial statements of the Harper County Conservation District as of and for the year ended June 30, 2013. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance about whether the financial statements are in accordance with the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair representation of the financial statements.

Our responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.



Kimberlye R. Mayer, CPA, P.C.
Blackwell, Oklahoma
October 29, 2013

FINANCIAL STATEMENTS

AND

NOTES

HARPER COUNTY CONSERVATION DISTRICT
STATEMENT OF ASSETS, LIABILITIES, AND NET POSITION
MODIFIED CASH BASIS
JUNE 30, 2013

ASSETS

Current Assets:

Checking and savings accounts	\$ 65,268
Certificates of deposit	<u>170,948</u>
Total Cash and Cash Equivalents	236,216

Property and equipment

(Net of accumulated depreciation) (Note 4)	<u>177,766</u>
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Total Assets	<u><u>\$ 413,982</u></u>
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LIABILITIES AND NET POSITION

Liabilities:

\$

Net Position:

Net investment in capital assets	177,766
Unrestricted	<u>236,216</u>

Total Net Position	<u>413,982</u>
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Total Liabilities and Net Position	<u><u>\$ 413,982</u></u>
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HARPER COUNTY CONSERVATION DISTRICT
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN NET POSITION
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2013

Revenues:

OCC reimbursements	\$ 48,993
Product sales	883
Equipment rental	29,803
Seed sales	88,446
Building rent	34,704
Conservation education fees	798
Map sales	720
Guzzler income	5,225
Total Operating Revenues	<u>209,572</u>

Expenses:

Salaries	58,272
Payroll taxes and employee benefits	4,388
Telephone expense	2,422
Office supplies and postage	2,240
Insurance	5,553
Vehicle expenses	824
Equipment maintenance and supplies	4,385
Map costs	466
Custom work	2,565
Meetings, mileage and travel	5,041
Professional fees	865
Seed costs	133,086
Building maintenance and supplies	3,149
Utilities	6,696
Janitor	5,500
Depreciation	29,356
Director fees	1,540
Conservation education	3,823
Other expenses	367
Total Operating Expenses	<u>270,538</u>

Operating Income (Loss)	(60,966)
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Nonoperating Revenues (Expenses):

Gain on sale of assets	7,639
Interest income	1,174
Total Nonoperating Revenue (Expenses)	<u>8,813</u>

Changes in net position	(52,153)
Net position at beginning of year	466,135
Net position at end of year	<u><u>\$ 413,982</u></u>

See accountant's compilation report.

HARPER COUNTY CONSERVATION DISTRICT
STATEMENT OF CASH FLOWS
MODIFIED CASH BASIS
YEAR ENDED JUNE 30, 2013

Cash flows From Operating Activities:

Cash received from customers	\$ 125,875
Other operating cash receipts	83,697
Cash payments to suppliers for goods and services	(182,910)
Cash payments to employees	<u>(58,272)</u>
Net cash provided (used) by operating activities	(31,610)

Cash flows from non-capital financing activities:

Cash flows from capital and related financing activities:

Cash flows from investing activities:

(Increase) decrease in fixed assets	(14,100)
Gain on sale of assets	7,639
Interest on cash and CD's	<u>1,174</u>
Net cash provided (used) by investing activities	<u>(5,287)</u>

Net increase (decrease) in cash and cash equivalents (36,897)

Beginning cash and cash equivalents 273,113

Ending cash and cash equivalents \$ 236,216

Reconciliation of income (loss) from operations to
net cash provided (used) by operating activities:

Income (Loss) from operations	(60,966)
Depreciation	29,356
Adjustments to reconcile income (loss) from operations to net cash provided (used) by operating activities:	
Net cash provided (used) by operating activities	<u><u>\$ (31,610)</u></u>

HARPER COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization

The Harper County Conservation District was created under Title 27A, Sections 3-1-101 through 3-3-410, as amended, of the laws of the State of Oklahoma. The purpose of the District is to provide for the conservation of the renewable natural resources in the area for which the District is responsible.

Basis of Accounting

The District prepares its financial statements using the modified cash basis of accounting. This basis recognizes assets, liabilities, net assets/fund equity, revenues, and expenditures/expenses when they result from cash transactions. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

Net Position

Net position presents the difference between assets and liabilities in the statement of net position. Net investment in capital assets are reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are legal limitations imposed on their use by District legislation or external restrictions by creditors, grantors, laws or regulations of other governments.

Cash and Cash Equivalents

The Corporation considers all checking and savings accounts and deposits with a maturity of three months or less to be cash equivalents.

NOTE 2 – CASH AND CERTIFICATES OF DEPOSIT:

Bank balances and certificates of deposit are covered by the Federal Deposit Insurance Corporation. All deposits at June 30, 2013 were fully insured.

NOTE 3 – INVESTMENTS:

The State of Oklahoma allows government entities to invest in the following: direct obligations of the United States Government, its agencies or instrumentalities, collateralized or insured certificates of deposit, insured savings accounts or savings certificates, or county, municipal or school district direct debt.

HARPER COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 4 –PROPERTY AND EQUIPMENT:

Depreciable assets are recorded at cost when purchased or constructed. Improvements are capitalized; the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are expensed. Depreciation is calculated on a straight-line basis over the estimated useful lives of the depreciable assets. Total depreciation for the year ended June 30, 2013 was \$29,356. The following is a summary by category of changes in property and equipment:

<u>Category</u>	<u>6/30/12</u>	<u>Additions</u>	<u>Deletions</u>	<u>6/30/13</u>
Building & fixtures	\$ 289,177	\$	\$	\$ 289,177
Machinery and equipment	187,060	14,100	(27,551)	173,609
Totals	476,237	14,100	(27,551)	462,786
Accumulated depreciation	(283,215)	(29,356)	27,551	(285,020)
Net	<u>\$ 193,022</u>	<u>\$ (15,256)</u>	<u>\$</u>	<u>\$ 177,766</u>

NOTE 5 – OCC REIMBURSEMENTS:

The District is reimbursed by the Oklahoma Conservation Commission for salaries, payroll taxes, mileage, telephone charges, office supplies, and certain other office expenses. When received, such reimbursements are recognized as revenues.

NOTE 6 – RETIREMENT PLAN:

Oklahoma public employees who work 1,599 hours or more per year were enrolled in the Oklahoma Public Employees Retirement System. On salaries paid from reimbursable funds from the Oklahoma Conservation Commission the employers 16½ % share of retirement was paid directly by the Commission. The employees' share of the retirement contribution was 16½% of locally earned wages and 3 ½% of state reimbursable wages.

NOTE 7 – ESTIMATES:

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

HARPER COUNTY CONSERVATION DISTRICT
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013

NOTE 8 – RISK MANAGEMENT:

The District is exposed to various risks of losses related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to employees and natural disasters. The Corporation manages this risk through the purchase of commercial insurance policies. Claims are recognized when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. In determining claims, events that might create claims, but for which none have been reported, are considered.

NOTE 9 – CONTINGENCIES:

As of June 30, 2013, the District did not have any pending litigation or potential non-disclosed liabilities that management believes would have a material effect on the financial statements.

NOTE 10 – FAIR VALUE OF INSTRUMENTS:

The District's financial instruments include cash and cash equivalents. The District's estimate of the fair value of all financial instruments does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net assets. The carrying amount of these financial statements approximates fair value because of the short maturity of these instruments.